

## **Nonmajor Enterprise Funds**

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Enterprise Funds account for any activity for which a fee is charged to external users for goods or services. If an activity's principal revenue source meets any one of the following criteria, it is required to be reported as an enterprise fund: (1) an activity financed with debt that is secured solely by pledge of the net revenues from fees and charges for the activity; (2) laws or regulations which require that the activity's costs of providing services, including capital costs, be recovered with fees and charges, rather than with taxes or similar revenues; or (3) pricing policies which establish fees and charges designed to recover the activity's costs, including capital costs. The Nonmajor Enterprise Funds are described below:

**The Liquor Fund** is used to account for the administration and operation of state liquor stores, warehouses, and the distribution of net proceeds.

**The Convention and Trade Fund** is used to account for the acquisition, design, construction, promotion, and operation of the State Convention and Trade Center.

**The Lottery Fund** is used to account for lottery ticket revenues, administrative and operating expenses of the Lottery Commission, and the distribution of revenue.

**The Institutional Fund** accounts for the enterprise activities (industries) carried out through vocational/education programs at the correctional institutions.

**The Higher Education Student Services Fund** is used by colleges and universities principally for bookstore, cafeteria, parking, student housing, food service, and hospital business enterprise activities.

**The Health Insurance Fund** accounts for payment of health care coverage to low-income residents and premiums for employees' insurance benefit contracts.

**The Other Activities Fund** accounts for the following: (1) the advanced college tuition payment program; (2) the operation of computer systems for legislative information; (3) the production and sale of statute law publications and official reports; and (4) Judicial Information System users.

## Combining Statement of Fund Net Assets

### Nonmajor Enterprise Funds

June 30, 2002

(expressed in thousands)

	Liquor	Convention and Trade	Lottery	Institutional
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and pooled investments	\$ 322	\$ 29,413	\$ 27,592	\$ 15,866
Investments	-	-	70,844	-
Taxes receivable (net of allowance)	4,101	-	-	-
Other receivables (net of allowance)	5,322	4,384	17,001	246
Due from other funds	2,630	990	5,893	2,234
Due from other governments	-	-	-	357
Inventories	31,562	-	506	6,426
Prepaid expenses	-	359	482	53
<b>Total Current Assets</b>	<b>43,937</b>	<b>35,146</b>	<b>122,318</b>	<b>25,182</b>
<b>Noncurrent Assets:</b>				
Investments, noncurrent	-	-	527,135	13
Other noncurrent assets	-	-	-	-
<b>Capital Assets:</b>				
Land	177	18,279	-	-
Buildings	-	197,016	-	-
Other improvements and miscellaneous	134	2,882	770	1,956
Furnishings and equipment	4,781	4,315	2,733	13,055
Accumulated depreciation	(3,401)	(55,632)	(2,694)	(7,125)
Construction in progress	28,537	181,666	-	-
<b>Total Noncurrent Assets</b>	<b>30,228</b>	<b>348,526</b>	<b>527,944</b>	<b>7,899</b>
<b>Total Assets</b>	<b>\$ 74,165</b>	<b>\$ 383,672</b>	<b>\$ 650,262</b>	<b>\$ 33,081</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 12,995	\$ 16	\$ 1,466	\$ 1,725
Contracts and retainages payable	-	2,240	-	-
Accrued liabilities	12,033	2,125	94,846	896
Obligations under security lending agreements	-	-	-	-
Bonds and notes payable	2,377	14,360	-	307
Due to other funds	6,000	281	3,865	637
Due to other governments	-	-	-	-
Deferred revenues	-	-	-	45
Claims and judgments payable, current	-	-	-	-
<b>Total Current Liabilities</b>	<b>33,405</b>	<b>19,022</b>	<b>100,177</b>	<b>3,610</b>
<b>Non-Current Liabilities:</b>				
Claims and judgments payable, long-term	-	-	-	-
Bonds and notes payable	14,473	300,007	-	10
Other long-term liabilities	3,588	-	474,338	819
<b>Total Non-Current Liabilities</b>	<b>18,061</b>	<b>300,007</b>	<b>474,338</b>	<b>829</b>
<b>Total Liabilities</b>	<b>51,466</b>	<b>319,029</b>	<b>574,515</b>	<b>4,439</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	13,379	34,158	809	7,569
Unrestricted	9,320	30,485	74,938	21,073
<b>Total Net (Deficit) Assets</b>	<b>\$ 22,699</b>	<b>\$ 64,643</b>	<b>\$ 75,747</b>	<b>\$ 28,642</b>

Higher Education Student Services	Health Insurance	Other Activities	Total
\$ 283,662	\$ 61,539	\$ 75,851	\$ 494,245
1,504	12,989	-	85,337
-	-	-	4,101
101,418	690	923	129,984
3,424	25,462	966	41,599
33,742	11,915	3,936	49,950
28,972	-	2	67,468
6,621	-	184	7,699
459,343	112,595	81,862	880,383
166,613	38,689	115,054	847,504
896	-	70,296	71,192
2,558	-	-	21,014
771,929	-	-	968,945
53,813	-	37	59,592
220,894	1,071	12,873	259,722
(477,611)	(555)	(9,386)	(556,404)
90,505	-	-	300,708
829,597	39,205	188,874	1,972,273
\$ 1,288,940	\$ 151,800	\$ 270,736	\$ 2,852,656
\$ 63,900	\$ 15,224	\$ 1,638	\$ 96,964
7,233	14,715	38	24,226
45,739	215	12,440	168,294
-	12,989	-	12,989
23,316	-	14,310	54,670
11,814	25,566	12,864	61,027
138	-	2,376	2,514
27,943	212	490	28,690
-	46,927	1,053	47,980
180,083	115,848	45,209	497,354
-	-	2,016	2,016
341,698	-	670	656,858
5,469	356	209,750	694,320
347,167	356	212,436	1,353,194
527,250	116,204	257,645	1,850,548
297,075	516	3,352	356,858
464,615	35,080	9,739	645,250
\$ 761,690	\$ 35,596	\$ 13,091	\$ 1,002,108

## Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

### Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2002

(expressed in thousands)

	Liquor	Convention and Trade	Lottery	Institutional	Higher Education Student Services
<b>Operating Revenues:</b>					
Sales	\$ 363,702	\$ -	\$ -	\$ 39,732	\$ 103,986
Less: Cost of goods sold	253,621	-	-	29,440	72,726
Gross profit	110,081	-	-	10,292	31,260
Charges for services	456	10,649	-	-	791,801
Premiums and assessments	-	-	-	-	-
Lottery ticket proceeds	-	-	438,600	-	-
Miscellaneous revenue	933	14	8	2,805	81,489
<b>Total Operating Revenues</b>	<b>111,470</b>	<b>10,663</b>	<b>438,608</b>	<b>13,097</b>	<b>904,550</b>
<b>Operating Expenses:</b>					
Salaries and wages	31,460	5,275	6,183	8,763	383,096
Employee benefits	9,479	2,086	1,494	1,826	60,949
Personal services	208	4,458	7,722	12	23,063
Goods and services	29,860	4,129	44,822	736	352,604
Travel	328	8	522	84	13,256
Premiums and claims	-	-	-	17	242
Lottery prize payments	-	-	282,246	-	-
Depreciation and amortization	11	4,266	228	1,156	45,259
Miscellaneous expenses	254	41	140	94	20,753
<b>Total Operating Expenses</b>	<b>71,600</b>	<b>20,263</b>	<b>343,357</b>	<b>12,688</b>	<b>899,222</b>
<b>Operating Income (Loss)</b>	<b>39,870</b>	<b>(9,600)</b>	<b>95,251</b>	<b>409</b>	<b>5,328</b>
<b>Nonoperating Revenues (Expenses):</b>					
Earnings (loss) on investments	-	(33)	56,284	1	7,481
Interest expense	(44)	(17,309)	(37,001)	(15)	(22,099)
Distributions to other governments	(25,310)	-	(3,723)	-	-
Other revenue (expenses)	53,847	37,191	(18)	-	17,793
<b>Total Nonoperating Revenues (Expenses)</b>	<b>28,493</b>	<b>19,849</b>	<b>15,542</b>	<b>(14)</b>	<b>3,175</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>68,363</b>	<b>10,249</b>	<b>110,793</b>	<b>395</b>	<b>8,503</b>
Transfers in	133	-	11,230	393	115,376
Transfers (out)	(59,005)	(5)	(101,662)	(9)	(109,917)
<b>Net Contributions and Transfers</b>	<b>(58,872)</b>	<b>(5)</b>	<b>(90,432)</b>	<b>384</b>	<b>5,459</b>
<b>Change in Net Assets</b>	<b>9,491</b>	<b>10,244</b>	<b>20,361</b>	<b>779</b>	<b>13,962</b>
<b>Net Assets - Beginning, as restated</b>	<b>13,208</b>	<b>54,399</b>	<b>55,386</b>	<b>27,863</b>	<b>747,728</b>
<b>Net Assets - Ending</b>	<b>\$ 22,699</b>	<b>\$ 64,643</b>	<b>\$ 75,747</b>	<b>\$ 28,642</b>	<b>\$ 761,690</b>

Health Insurance	Other Activities	Total
\$ -	\$ -	\$ 507,420
-	-	355,787
-	-	151,633
35	72,395	875,336
823,441	-	823,441
-	-	438,600
10	2,985	88,244
823,486	75,380	2,377,254
3,961	14,702	453,440
935	3,164	79,933
642	2,545	38,650
2,959	12,300	447,410
44	708	14,950
786,289	-	786,548
-	-	282,246
147	1,496	52,563
14,933	74,435	110,650
809,910	109,350	2,266,390
13,576	(33,970)	110,864
3,909	(2,579)	65,063
-	(61)	(76,529)
-	-	(29,033)
(4)	9,816	118,625
3,905	7,176	78,126
17,481	(26,794)	188,990
26,860	-	153,992
(26,996)	(102)	(297,696)
(136)	(102)	(143,704)
17,345	(26,896)	45,286
18,251	39,987	956,822
\$ 35,596	\$ 13,091	\$ 1,002,108

# Combining Statement of Cash Flows

## Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2002

(expressed in thousands)

	Liquor	Convention and Trade	Lottery	Institutional
<b>Cash Flows from Operating Activities:</b>				
Receipts from customers	\$ 369,371	\$ 19,209	\$ 439,244	\$ 41,556
Payments to suppliers	(294,090)	(8,011)	(367,833)	(29,898)
Payments to employees	(40,916)	(7,319)	(7,597)	(10,478)
Other receipts (payments)	933	14	8	2,805
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>35,298</b>	<b>3,893</b>	<b>63,822</b>	<b>3,985</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers in	133	-	11,230	393
Transfers out	(59,005)	(5)	(101,662)	(9)
Operating grants and donations received	46	-	-	81
Taxes and license fees collected	54,432	37,190	17	-
Distributions to other governments	(25,310)	-	(3,723)	-
Other noncapital financing activity	37	-	-	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(29,667)</b>	<b>37,185</b>	<b>(94,138)</b>	<b>465</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Interest paid	(44)	(14,259)	-	(15)
Principal payments on long-term capital financing	(3,638)	(13,281)	-	(41)
Proceeds from long-term capital financing	-	3,483	-	-
Proceeds from sale of capital assets	68	1	29	117
Acquisitions of capital assets	(6,527)	(7,105)	(197)	(1,810)
<b>Net Cash or Pooled Investments Provided by (Used in) Capital and Related Financing Activities</b>	<b>(10,141)</b>	<b>(31,161)</b>	<b>(168)</b>	<b>(1,749)</b>
<b>Cash Flows from Investing Activities:</b>				
Receipt of interest	-	-	732	1
Proceeds from sale of investment securities	-	-	998,086	-
Purchases of investment securities	-	-	(960,548)	-
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>-</b>	<b>-</b>	<b>38,270</b>	<b>1</b>
<b>Net Increase (Decrease) in Cash and Pooled Investments</b>	<b>(4,510)</b>	<b>9,917</b>	<b>7,786</b>	<b>2,702</b>
Cash and Pooled Investments, July 1	4,832	19,496	19,806	13,164
Cash and Pooled Investments, June 30	\$ 322	\$ 29,413	\$ 27,592	\$ 15,866
<b>Cash Flows from Operating Activities:</b>				
Operating Income (Loss)	\$ 39,870	\$ ( 9,600)	\$ 95,251	\$ 409
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:</b>				
Depreciation	11	4,266	228	1,156
Provision for uncollectible accounts	-	-	29	-
<b>Change in Assets: Decrease (Increase)</b>				
Receivables (net of allowance)	5,805	8,560	644	1,817
Inventories	(3,785)	-	(117)	1,277
Prepaid expenses	-	13	(482)	(51)
<b>Change in Liabilities: Increase (Decrease)</b>				
Payables	(6,603)	654	(31,731)	(623)
<b>Net Cash or Cash Equivalents Provided by (Used in) Operating Activities</b>	<b>\$ 35,298</b>	<b>\$ 3,893</b>	<b>\$ 63,822</b>	<b>\$ 3,985</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>				
Noncash portion of prior period adjustments	\$ -	\$ -	\$ -	\$ -
Amortization of interest on long-term prize liability	-	-	37,001	-
Increase (decrease) in fair value of investments	-	(33)	55,552	-
Refunding bonds issued	-	7,275	-	-
Refunded bonds redeemed	-	(7,330)	-	-
Net change in deferred gain on refunding activity	-	92	-	-
Accretion of interest on zero coupon bonds	-	2,858	-	-

Higher Education Student Services	Health Insurance	Other Activities	Total
\$ 921,654	\$ 821,341	\$ 23,023	\$ 2,635,398
(501,168)	(796,279)	(4,505)	(2,001,784)
(442,854)	(1,145)	(18,196)	(528,505)
81,489	10	2,986	88,245
59,121	23,927	3,308	193,354
115,376	26,860	-	153,992
(109,917)	(26,996)	(102)	(297,696)
10,129	-	-	10,256
-	-	9,731	101,370
-	-	-	(29,033)
2	31	150	220
15,590	(105)	9,779	(60,891)
(20,885)	-	(61)	(35,264)
(14,046)	(35)	(8,079)	(39,120)
63,386	-	23,832	90,701
1,240	-	728	2,183
(97,725)	(114)	(1,798)	(115,276)
(68,030)	(149)	14,622	(96,776)
18,123	3,492	3,466	25,814
79,287	63	78,028	1,155,464
(78,138)	(939)	(126,836)	(1,166,461)
19,272	2,616	(45,342)	14,817
25,953	26,289	(17,633)	50,504
257,709	35,250	93,484	443,741
\$ 283,662	\$ 61,539	\$ 75,851	\$ 494,245
\$ 5,328	\$ 13,576	\$ ( 33,970)	\$ 110,864
45,259	147	1,496	52,563
4,690	-	-	4,719
24,772	(2,138)	(49,241)	(9,781)
961	-	101	(1,563)
(922)	-	179	(1,263)
(20,967)	12,342	84,743	37,815
\$ 59,121	\$ 23,927	\$ 3,308	\$ 193,354
\$ ( 28,738)	\$ -	\$ ( 3,378)	\$ ( 32,116)
-	-	-	37,001
(10,955)	417	(6,005)	38,976
24,985	-	-	32,260
(24,260)	-	-	(31,590)
(582)	-	-	(490)
-	-	-	2,858

